

Community Hospital Task Force – Updated workplan January 22, 2008

Vision

Sustainable community hospitals that meet community needs and are supported by a payment system that promotes high-quality and cost-efficient care.

Charge

The long-term charge to the Task Force is to recommend changes to health care payment methods used by all payers that realign incentives to promote high-quality and cost-efficient care. The Task Force's first priority is to examine principles for inpatient payment and options for Rhode Island's Medicaid program to implement a case-based inpatient payment methodology. The Task Force will then examine how the recommendations for a case-based inpatient payment method for Rhode Island Medicaid may apply more broadly to other payers.

Elements of a case-based payment method using a DRG grouper

Payment for Particular DRG =

$\left[\text{Base rate} \times (\text{DRG weight} \times \text{policy adjuster weight}) \right] + \text{quality} + \text{other policy add-ons}$

Workplan

The Task Force's charge is to make recommendations on all items in the formula except for the Base Rate.

Status	Element of payment method	On Task Force agenda?	Discussion date	Date of recommendations
■	1. Principles of payment	Yes	11/27/07	1/10/08 report
N/A	2. Base rate	No	N/A	N/A
■	3. Recommendation of DRG grouper	Yes	12/12/07, 12/19/07	1/10/08 report
	Initial discussion of design / implementation steps and options for other payers	Yes	1/7/08	January report to include initial findings, recommendations, and timeline
□	4. Policy adjuster weights for certain groups of DRGs	Yes	1/22/08, 2/12/08	3/21/08 report
□	5. Non-DRG-specific policy-based add-ons (e.g., for quality)	Yes	2/27/08	3/21/08 report
N/A	6. Detailed design document	No		N/A
	Design / implementation plan and options for other payers	Yes	3/11/08	3/21/08 report to include comprehensive findings, recommendations, plan, and timeline

Please note the following additional Task Force meetings noted above:

1. Tuesday, February 12, 5:00 – 7:00 p.m., Department of Administration, Conference Room A, Providence
2. Wednesday, February 27, 5:00 – 7:00 p.m., Dept. of Labor & Training, Building 73, Conf. Room 1, Cranston
3. Tuesday, March 11, 5:00 – 7:00 p.m., Department of Administration, Conference Room A, Providence